



# CAN THE Business of Government be **Run as a Business?**

*Under an executive order, the Illinois Department of Central Management Services reconfigured its fleet operations, saving \$17 million over two years.*

**By Tom Johnson**

**F**aced with a \$5 billion fiscal deficit when he came into office in 2003, Illinois Gov. Rod Blagojevich ordered the Department of Central Management Services (CMS) to run the business of government like a business. The mandate included managing the state fleet. The result was \$17 million of recurring savings over a two-year period.

CMS found cost savings and improved accountability throughout its entire operation. The state budget was growing more than double the rate of inflation and the 2004 deficit represented more than 20 percent of the total general revenue budget. As a result, the governor signed an executive order to reduce the size of the state fleet and the cost of running it.

Paul Campbell, director of CMS, asked Barbara Bonansinga, division of vehicles manager, overseeing 13,635 vehicles, to meet the governor's executive order to spend tax dollars more wisely.

### **CMS Acts to Save Money**

Bonansinga began in fleet more than 30 years ago working in a car dealership parts room. She rose through the ranks from shop supervisor to fleet manager, overseeing 18 state garages and a \$34 million budget for agency vehicle services. Bonansinga knew the operation from top to bottom and led her team to take action. She was a 2006 Public Sector Fleet Manager of the Year nominee in the competition held by *Government Fleet* magazine and sponsored by Automotive Re-

### **AT A GLANCE**

The Illinois Department of Central Management Services fleet took a number of steps to reduce expenses, including:

- A freeze on new-vehicle acquisition, resulting in 124 new-order rejections.
- Every requested new vehicle must include a business-case justification.
- A utilization study, which was completed within 60 days and resulted in a 1,600-passenger vehicle reduction.
- Staffing analysis to align personnel numbers to budget constraints and productivity studies.



**An Illinois state employee fills up a fleet vehicle with E-85 fuel. Fourteen percent of the state's fleet vehicles are now flex-fuel models.**

sources International and consulting sponsor Fleet Counselor Services. Bonansinga's fleet is also considered one of the 100 Best Fleets in North America.

Bonansinga immediately ordered a freeze on new-vehicle acquisition, resulting in 124 new-order rejections. She requested a business case for the use of every vehicle from each agency. Vehicles are used for safety, security, and infrastructure needs involving law enforcement and transportation. A utilization study was completed within 60 days resulting in a reduction of the state's passenger vehicle fleet by 1,600 units to its present size of 12,072.

Today, all requests for vehicles are evaluated in a thorough and consistent process. More than \$1 million was immediately generated through the sale of returned vehicles. Fuel consumption was reduced by more than 2 million

gallons, saving \$3.9 million over the past two years. Maintenance costs were reduced by \$1.4 million over two years.

A variety of headcount management mechanisms were employed including hiring freezes, vacancy extensions, and layoffs. The purpose was to align personnel expenditures with budget constraints and productivity studies. The labor rates are fully burdened. Deloitte Consulting LLP was brought in to audit all savings, resulting in the following initiatives:

- Elimination of agency silos.
- Improved communications.
- Shared identification of efficiencies between business units.
- Dissemination of best practices.

### Illinois Fleet Becomes the Model

Illinois Fleet operations have become the model for government operations



**Faced with a growing budget and large deficit, Illinois Gov. Rod Blagojevich signs an executive order to reduce the size and cost of the state's fleet operations**



**Scott Masden, president, National Conference of State Fleet Administrators presents Barbara Bonansinga, Illinois state fleet, the Honda leadership award.**

by reducing unnecessary bureaucracy, resulting in improved morale, highly motivated and better trained employees, and more career opportunities.

During Hurricane Katrina, two technicians, Larry Nevill and Kevin Seago, volunteered to travel to New Orleans and help keep vehicles running 24/7. In March, a tornado ripped the roof off the fleet office in Springfield, Ill., but the staff was back in operation the next day working from cardboard boxes.

### Reducing Dependency on Foreign Oil

The governor is also interested in reducing dependency on foreign oil. In 2005, 81 percent of vehicles Bonansinga purchased were flexible-fuel models, 14 percent of the state fleet total. The number of E-85 stations has quadrupled during the past year to more than 128. CMS received the Honda Environmental Award for leadership in environmental quality and is the 14<sup>th</sup> largest alternative-fuel fleet in the country.

Campbell and Bonansinga continue to work on their next step — improving the entire process redesign. They know that financial controls, accountability, change, transparency, and service are the keys to a fiscally healthy future.

Campbell was invited to speak to the John F. Kennedy School of Government at Harvard University about bringing private sector discipline to its public sector mission. "CMS and fleet continue to achieve savings and enhance services as it implements new technologies, reduces waste, and rethinks many processes," he said. **GF**

### About the Illinois State Fleet

**Responsible agency:** Department of Central Management Services.

**Division of Vehicles Manager:** Barbara Bonansinga.

**Location:** Springfield, Ill.

**Fleet size:** 12,072 units

**Employees:** 160

**Budget:** \$34 million for vehicle services.